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UNCLAS SECTION 01 OF 02 ABU DHABI 004218

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SUBJECT: UAE HUMANITARIAN AID FURTHERS FOREIGN POLICY

¶1. (SBU) Summary: The United Arab Emirates is a major international aid donor, with the annual average of humanitarian aid in the form of development loans, grants, and in-kind charitable donations reaching more than 3.5 percent of its gross domestic product. Organizations such as the Abu Dhabi Fund for Development (ADFD), Red Crescent Authority (RCA), and Mohammed bin Rashid (MbR) Charitable and Humanitarian Foundation represent the top three aid organizations. The UAE's humanitarian aid and foreign policy priorities are inextricably linked, with Iraq, Afghanistan, and the Palestinians receiving the lion's share of aid. The UAE regulates and monitors charities to ensure that funds are not diverted to finance terrorism. End Summary

AID AS A TOOL FOR PROMOTING REGIONAL STABILITY

¶2. (SBU) UAE humanitarian aid priorities are grounded in both foreign policy and humanitarian considerations. By providing aid to Iraq, Afghanistan, and the Palestinians, UAE-based charitable organizations, at the direction of the rulers, have sought to promote regional stability. By way of illustration, the three listed organizations provided the following aid in grants and loans in 2003 to Iraq, Afghanistan, and the Palestinians (Note: These figures do not account for in-kind assistance. End note.):

- Iraq
-- Red Crescent (USD 39.24 million)
-- MbR Charity (USD 13.62 million)
-- ADFD (No aid for 2003)
- Afghanistan
-- Red Crescent (USD 8.80 million)

-- MbR Charity (In-kind; value not available)
-- ADFD (USD 8.17 million)
- Palestine
-- Red Crescent (USD 97.73 million)
-- MbR Charity (USD 51.22 million)
-- ADFD (USD 63.85 million)

¶3. (SBU) In addition, there are examples of purely humanitarian responses. Iran, which the UAE considers a threat to its own security, received rescue vehicles, personnel and equipment, tents, clothing, blankets, toys, food and other in-kind assistance worth USD 650K to assist victims of the Bam earthquake in December 2003 from both the MbR Charity and the Red Crescent combined. In August, MbR's charity began flying planeloads of supplies to Darfur in Sudan to relieve suffering there.

NOT REALLY NGOS

¶4. (SBU) UAE charitable organizations insist they are strictly non-governmental agencies but, in actual fact, they are not. Senior ruling family members provide the bulk of funds to these organizations, and also sit on the boards. For example, Deputy Prime Minister and Minister of State for Foreign Affairs, Sheikh Hamdan bin Zayed Al Nahyan, is the President of UAE Red Crescent Authority. Executive board members of these organizations include other members of the ruling family of the Emirate of Abu Dhabi and government leaders. In Dubai, an organization named after the Crown Prince and the de facto ruler, the Mohammed bin Rashid Al Maktoum (MbR) Charitable and Humanitarian Foundation, undertakes charitable and humanitarian works with the sole stated objective of helping the poor, the suffering (particularly in conflict zones), and widows. Ministry of Finance Assistant Undersecretary for Revenue and Budget, Khalid Ali Al Bustani, told Poloff that the federal government pays for the salaries of workers in the Red Crescent Authority, confirming that that particular organization is quasi-governmental.

¶5. (SBU) Although humanitarian aid is funneled through charities, the UAE federal government is very involved in their priority setting. As a result, aid reflects the foreign policy priorities of the UAE's rulers, who are motivated by their desire to help fellow Islamic countries and respond to the UAE domestic constituencies. The Ministry of Foreign Affairs monitors and approves all charitable projects outside the UAE that are supported by any organization within the UAE. The charitable organizations consult with UAE leaders on the amount and type of aid. There are few codified procedures on how the different projects are approved or chosen for assistance. Rather, the charities communicate various requests directly to the UAE leadership and the leadership decides the priorities through traditional consultative mechanisms such as the open majlis, or council.

ANTI TERRORIST FINANCING EFFORTS

¶6. (SBU) The UAEG has also taken steps to try and ensure that charitable funds are not diverted to terrorist purposes. The Ministry of Labor regulates charities and charitable organizations in the UAE and requires charities to keep records of donations and beneficiaries. In 2002, the UAEG mandated that all licensed charities interested in transferring funds overseas must do so via one of three government approved charities including the Red Crescent, the Zayed Charitable Foundation, and MBR's charity. They are in a position to ensure that overseas transfers go to legitimate parties. One charitable organization dedicated to helping the Palestinians told econchief that it appreciated working through the Red Crescent, because it could be sure that the funds were going to the right people and not/not disappearing into someone's bank account. The UAEG has also contacted governments in numerous aid receiving countries to compile a

list of recognized, acceptable recipients for UAE charitable assistance. Although the UAEG regulates charities, we have heard that enforcement of these regulations may be haphazard. We continue to follow-up with the UAEG on this issue.

DECADES OF DEVOTION AND ALTRUISM

17. (SBU) Despite significant and often direct influence from the federal and emirates level governments, the charitable organizations remain altruistic in their work. The Red Crescent Authority's goal is to get on the ground with needed aid, regardless of the political situation, though its General Secretary, Sana Darweesh Kitbi, admits that aid indirectly helps UAE foreign policies. While ruling family members donate significant amounts of personal wealth, it is not considered a government donation, although individual donors can designate a specific project to support. The Red Crescent assists by checking the background of donors and the viability of each project. The Red Crescent projects are divided into local affairs and foreign affairs projects, and the organization has always been successful in responding to the urgent needs of victims around the world, said Kitbi.

18. (U) UAE President Sheikh Zayed founded ADFD in 1971 to extend aid to developing countries and offer financial aid from the Emirate of Abu Dhabi to various countries to help them develop their local economies, achieve sustainable development, and improve the living standards of their people. The ADFD is a traditional development aid agency, however, sometimes it also channels aid that is more humanitarian in nature, building new housing in the Gaza strip for example. In 2003, Arab countries received 73% of the gross value of financial commitments by ADFD, while sub-Saharan African countries received 5.8%, Asian countries received 19.5% and other countries received 1.7%. In 2003, the ADFD provided 13 loans amounting to USD673 million. Infrastructure projects received the lion's share of the loans and grants, with emphasis on projects that directly impact roads, seaports, airports, water, electricity, communications, agriculture, and housing.

COMMENT:

19. (SBU) We anticipate that the UAEG will continue to use various charitable organizations it controls to funnel its humanitarian aid, and that the principal recipients will continue to be Muslim populations and countries.

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